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10/020,728	10/29/2001	Seth P. Becker	BEC-0041	9760

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EXAMINER

KALINOWSKI, ALEXANDER G

ART UNIT PAPER NUMBER

3626

DATE MAILED: 10/05/2004

Please find below and/or attached an Office communication concerning this application or proceeding.

Office Action Summary

Application No.

10/020,728

Applicant(s)

BECKER ET AL.

Examiner

Alexander Kalinowski

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-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If the period for reply specified above is less than thirty (30) days, a reply within the statutory minimum of thirty (30) days will be considered timely.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 19 January 2004.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 2-9, 11-14, 16-22, 24 and 26-29 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 2-9, 11-14, 16-22, 24, and 26-29 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☐ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO-1449 or PTO/SB/08)
Paper No(s)/Mail Date _____.
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date. _____.
- 5) ☐ Notice of Informal Patent Application (PTO-152)
- 6) ☐ Other: _____.

DETAILED ACTION

1. Claims 2-9, 11-14, 16-22, 24, and 26-29 are presented for examination. Applicant filed an amendment on 1/19/2004 canceling claims 1, 10, 15, 23 and 25 and amending claims 2, 3, 5, 7, 9, 11, 14, 17-20, 24, and 26 and adding new claims 28 and 29. In light of Applicant's amendment the Examiner withdraws the rejection of claim 26. However, new grounds of rejection are established for claims 26, 28 and 29. In addition, the Examiner finds Applicant's arguments directed to the rejection of claims 2-9, 11-14, 16-22, 24, and 27 to be nonpersuasive and maintains the rejection of the claims. Therefore, the rejection of claims 2-9, 11-14, 16-22, 24, 26-29 is a final rejection of the claims.

Claim Rejections - 35 USC §101

35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requires of this title.

Claim 26 is rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

The basis of this rejection is set forth in a two-prong test of:

- (1) whether the invention is within the technological arts; and
- (2) whether the invention produces a useful, concrete, and tangible result.

For a claimed invention to be statutory, the claimed invention must be within the technological arts. Mere ideas in the abstract (i.e., abstract idea, law of nature, natural phenomena) that do not apply, involve, use, or advance the technological arts fail to

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promote the "progress of science and the useful arts" (i.e., the physical sciences as opposed to social sciences, for example) and therefore are found to be non-statutory subject matter. For a process claim to pass muster, the recited process must somehow apply, involve, use, or advance the technological arts.

In the present case, the instant claims fail to recite the use of any type of technology (e.g. computer system) within the recited steps of the claimed method of providing services related to jewelry. The recited steps constitute an idea on how to provide services related to jewelry.

Mere intended or nominal use of a component, albeit within the technological arts, does not confer statutory subject matter to an otherwise abstract idea if the component does not apply, involve, use, or advance the underlying process.

Additionally, for a claimed invention to be statutory, the claimed invention must produce a useful, concrete, and tangible result. In the present case the claimed method recites steps for creating a managing insurance policy backed securities.

Although the claimed invention produces a useful, concrete and tangible result, since the claimed invention as a whole is not within the technological arts, as explained above, claim 26 are deemed to be directed to non statutory subject matter. The Examiner suggests incorporating recitations related to the technological arts (i.e. processor, computer) within the claimed limitations of claim 26.

Claim Objections

2. Claim 24 is objected to because of the following informalities: The claim recites the same limitation twice. The limitation is "said registration services and said loss protection services are provided to a consumer". Appropriate correction is required.

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 2, 3, 5, 8, 9, 11, 13, 14, 16-22, 24 and 27 rejected under 35 U.S.C. 103(a) as being unpatentable over Becker et al., Pat. No. 5,983,238 (hereinafter Becker) in view of "Insure your Reputation: Introducing GemShield, Private Insurance from IJB" (hereinafter GemShield).

As to claim 11, Becker discloses a system for providing registration services and loss protection services related to jewelry (see abstract), comprising:
a database for registering said jewelry (i.e. diamond registration)((col. 4, lines 37-45);
and
a loss protection system in communication with said database for bundling said registration service with said loss protection services related to said jewelry (i.e. police, insurance companies, store owners ... may contact the central headquarters)(col. 4, lines 8-36).

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said registration services and said loss protection services are provided to a consumer(i.e. owner)(col. 4, lines 21-24 and col. 6, lines 26-42).

Becker does not explicitly disclose wherein said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer.

However, GemShield discloses said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer (i.e. value added)(page 4). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer as disclosed by GemShield within Becker for the motivation of assuring customers that any loss will be replaced by the trusted jeweler (page 4).

Becker and GemShield do not explicitly disclose a cost of said loss protection services bundled with said registration services being included in a cost of the marked jewelry item to the consumer.

However, GemShield discloses that the cost of insuring jewelry is assumed by the retailer (i.e. value added)(page 4). Such costs would presumably be passed on to the customer that are reflected in the price of the jewelry item in the form of a markup. The reason for marking up the price of the jewelry item would have been to include any and all overhead costs associated with the jewelry item to insure a sufficient profit margin for the retailer. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include a cost of said loss protection services

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bundled with said registration services being included in a cost of the marked jewelry item to the consumer within Becker and GemShield for the motivation stated above.

As to claim 2, Becker discloses the system of claim 11 wherein said database includes ownership data related to said marked jewelry (i.e. col. 4, lines 37-40).

As to claim 3, Becker discloses the system of claim 11 wherein said database includes distinguishing characteristics of said marked jewelry for tracking and identification purposes (col. 3, lines 37-40).

As to claim 5, Becker discloses the system of claim 11 wherein said database includes value of said marked jewelry (Fig. 10).

As to claim 8, Becker discloses the system of claim 11 wherein said loss protection systems provides said database with transfer of ownership data (col. 5, lines 9-18).

As to claim 9, Becker discloses the system of claim 11 wherein said loss protection systems provides said database with occurrence of events relating to said marked jewelry including one of theft, loss, destruction and recovery (Fig. 15).

As to claim 13, Becker discloses the system of claim 11 wherein the database and the loss protection system are implemented by the same system (see abstract).

As to claim 14, Becker discloses the system of claim 11 wherein the database includes an identification of marking on the marked jewelry item (Fig. 2).

As to claim 24, Becker discloses a method for providing registration services and loss protection services related to marked jewelry (see abstract), comprising:

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initiating said registration services by registering a marked jewelry item in a database

(i.e. diamond registration)((col. 4, lines 37-45);

initiating said loss protection services (see abstract);

bundling the registration services with the loss protection services (i.e. police,

insurance companies, store owners ... may contact the central headquarters)(see Fig.

15, Fig. 16, and col. 4, lines 8-36);

said registration services and said loss protection services are provided to a consumer (i.e. owner)(col. 4, lines 21-24 and col. 6, lines 26-42).

providing the bundled registration services and loss protection services to a consumer (col. 4, lines 21-24); and,

updating said database upon an occurrence of an event relating to said marked jewelry item (col. 5, lines 9-18).

Becker does not explicitly disclose wherein said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer.

However, GemShield discloses said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer (i.e. value added)(page 4). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said loss protection services are bundled with said registration services before transfer of ownership of a jewelry item to a consumer as disclosed by GemShield within Becker for the motivation of assuring customers that any loss will be replaced by the trusted jeweler (page 4).

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Becker and GemShield do not explicitly disclose a cost of said loss protection services bundled with said registration services being included in a cost of the marked jewelry item to the consumer.

However, GemShield discloses that the cost of insuring jewelry is assumed by the retailer (i.e. value added)(page 4). Such costs would presumably be passed on to the customer that are reflected in the price of the jewelry item in the form of a markup. The reason for marking up the price of the jewelry item would have been to include any and all overhead costs associated with the jewelry item to insure a sufficient profit margin for the retailer. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include a cost of said loss protection services bundled with said registration services being included in a cost of the marked jewelry item to the consumer within Becker and GemShield for the motivation stated above.

As to claim 16, Becker discloses the method of claim 24 wherein the updating said database occurs upon one of a transfer of ownership, loss, destruction, theft, damage, recovery and settlements initiated (Fig. 15).

As to claim 17, Becker discloses the method of claim 24 wherein terms of loss protection services include identification information for said marked jewelry item (Fig. 4).

As to claim 18, Becker discloses the method of claim 24 wherein terms of loss protection services include a value of said marked jewelry item (Fig. 10).

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As to claim 19, Becker discloses the method of claim 24 wherein terms of loss protection services include ownership information related to said marked jewelry item (Fig. 11).

As to claim 20, Becker discloses the method of claim 24 wherein said marked jewelry item includes a jewelry item that has been marked with an identification marking (Fig. 2).

As to claim 21, Becker discloses the method of claim 24 wherein said database is a commercial database accessible by authorized entities (col. 4, lines 21-26).

As to claim 22, the method of claim 24 wherein said initiating said loss protection service agreement includes collecting activation information and transferring said activation information to a provider of said loss protection services.

As to claim 27, Becker discloses the method of claim 24 wherein the registration services and the loss protection services are provided by the same entity (see abstract).

As to claim 24, Becker discloses the method of claim 24 wherein said registration services include storing one or more characteristics of the jewelry (Fig. 10).

5. Claim 4 is rejected under 35 U.S.C. 103(a) as being unpatentable over Becker and GemShield as applied to claim 1 above, and further in view of Examiner's use of Official Notice.

As to claim 4, Becker does not explicitly disclose the system of claim 1 wherein said database includes fees collected and owed.

However, the Examiner takes official notice that it was well known in the electronic billing arts to track billing information including fees collected and owed. Such

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a system provides the means for determining how much is owed, how much is paid for a particular product or service. For example, student loans are processed on a monthly basis. Billing information includes the amount owed and principal paid. It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said database includes fees collected and owed within Becker for the motivation stated above.

6. Claims 6-7 are rejected under 35 U.S.C. 103(a) as being unpatentable over Becker and GemShield as applied to claim 11 above, and further in view of "Personal Jewelry Insurance"(hereinafter Jewelers Mutual).

As to claim 6, Becker and GemShield do not explicitly disclose the system of claim 11 wherein said loss protection systems provides said database with policy data relating to coverage terms selected.

However, GemShield discloses providing policy data relating to coverage terms selected (page 1). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said loss protection systems provides said database with policy data relating to coverage terms selected as disclosed by Jewelers Mutual within Becker and GemShield for the motivation of providing protection commensurate with the level of coverage obtained (i.e. we provide loss, theft, and damage protection. Some homeowners policies are limited in coverage ...)(page 1).

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As to claim 7, Becker and GemShield do not explicitly disclose the system of claim 11 wherein said loss protection systems provides said database with updated inspection data relating to said marked jewelry.

However, Becker discloses updating the database with respect to the registered marked jewelry. Furthermore, GemShield discloses requiring inspections relating to said jewelry (page 1). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include said loss protection systems provides said database with updated inspection data relating to said marked jewelry as disclosed by Jewelers Mutual within Becker and GemShield for the motivation of acknowledging required inspections for the marked jewelry.

7. Claim 12 rejected under 35 U.S.C. 103(a) as being unpatentable over Becker and GemShield as applied to claim 11 above, and further in view of "S&P Assigns Jewelers Mutual insurance "BBBpi" Rating"(hereinafter S&P).

As to claim 12, Becker does not explicitly disclose the system of claim 11 wherein a wholesaler includes the registration services and loss protection services in the cost of the jewelry item.

However, GemShield discloses including the registration services and loss protection services in the cost of the jewelry item as explained previously in claim 11 (i.e. value added)(page 4). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the registration services and loss

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protection services in the cost of the jewelry item as disclosed by GemShield within Becker for the motivation of assuring customers that any loss will be replaced by the trusted jeweler (page 4).

Becker and GemShield do not explicitly disclose the wholesaler transferring the jewelry item to at least one entity prior to the consumer obtaining the jewelry item.

However, S&P discloses the wholesaler transferring the jewelry item to at least one entity prior to the consumer obtaining the jewelry item (i.e. wholesalers, retailers, ...)(see abstract). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the wholesaler transferring the jewelry item to at least one entity prior to the consumer obtaining the jewelry item as disclosed by S&P within the Becker and GemShield combination for the motivation of providing coverage for the commercial jewelry industry and for individuals who own jewelry (see abstract).

8. Claim 26 is rejected under 35 U.S.C. 103(a) as being unpatentable over Becker in view of S&P and GemShield.

As to claims 26, Becker discloses a method for providing registration services related to marked jewelry, comprising:
registering a marked jewelry item in a database (i.e. diamond registration)(col. 4, lines 37-45);
the marked jewelry item being transferred to at least one additional entity (col. 7, lines 49-51); and,

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the database being updated to indicate transfers of the marked jewelry item (col. 7, lines 49-51).

said registration services and said loss protection services are provided to a consumer(i.e. owner)(col. 4, lines 21-24 and col. 6, lines 26-42).

Becker does not explicitly disclose

a wholesaler initiating said registration services and

the marked jewelry item being transferred from the wholesaler to at least one additional entity;

However, S&P discloses a wholesaler initiating said registration services (page 1). Furthermore, S&P discloses the marked jewelry item being transferred from the wholesaler to at least one additional entity (i.e. wholesalers, retailers, ...)(see abstract).

It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include a wholesaler initiating said registration services and the marked jewelry item being transferred from the wholesaler to at least one additional entity as disclosed by Mutual Insurance and within Becker for the motivation of providing coverage for the commercial jewelry industry (page 1).

Becker and S&P do not explicitly disclose

including the cost of the registration services in a cost of the marked jewelry item.

However, GemShield discloses including the registration services in the cost of the jewelry item as explained in claim 11 above (i.e. value added)(page 4). It would have been obvious to one of ordinary skill in the art at the time of Applicant's invention to include the registration services in the cost of the jewelry item as disclosed by

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GemShield within the Becker and S&P combination for the motivation of assuring customers that any loss will be replaced by the trusted jeweler (page 4).

9. Claim 28 is rejected under 35 U.S.C. 103(a) as being unpatentable over Becker and GemShield as applied to claim 24 above, and further in view of S&P.

As to claim 28, the claim is substantially similar to claim 26 and is rejected on the same basis.

Response to Arguments

10. Applicant's arguments filed 1/19/2004 have been fully considered but they are not persuasive.

Applicant argues that the Becker reference does not disclose bundling registration services and loss protection services. Applicant specifically argues that Becker does not offer insurance services. The Examiner disagrees. The Becker reference discloses an identification, tracking and recovery system ... to assist with the recovery of lost or stolen gemstones" (see abstract). The database of Becker assists owners of gemstones in recovering lost or stolen gemstones. This is an example of a loss recovery service. It is clear that Becker provides a registration service for owners of gemstones. Therefore, the database of Becker provides bundling of the two services (registration and loss prevention). Therefore, Applicant's arguments directed to the Becker reference are nonpersuasive.

Applicant further argues that the cost of bundling registration services and loss prevention services are not bundles with the cost of the jewelry. The Examiner

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disagrees. GemStone discloses the cost of providing the additional insurance for sold jewelry may be borne by the retailer. But this cost is reflected in the price the consumer pays for the item since the jeweler's price for jewelry reflect may factors including services provided by the jeweler. This additional service may be reflected in the cost of the jewelry since the jeweler will bear additional costs with respect to those jewelry items that are provided with additional insurance. Therefore, Applicant's arguments Directed to the GemStone reference are nonpersuasive.

Applicant's arguments directed that the GemStone reference does not provide loss protection services automatically with no application subject to approval are nonpersuasive since this feature was not claimed.

Applicant argued that claim 24 is allowable for the same reasons advanced for claim 11. The Examiner refers Applicant to the response to arguments to claim 11 above for an explanation why the arguments are nonpersuasive.

The remaining arguments are similar to arguments that were presented for claims 11 and 24 and are nonpersuasive for the same reasons.

In light of Applicant's submission of a new abstract, the Examiner withdraws the objection to the specification.

In light of Applicant's amendment to claim 26, the Examiner withdraws the grounds of rejection based on 35 USC 101. However, new grounds of rejection based on 35 USC 101 are established for claim 26. The Examiner notes that the body of the claims must include a recitation that some of the steps are carried out by the use of technology. A recitation directed to a database without a recitation to a computer or data

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processing means lacks the necessary language to indicate that technology is used to carry out the step.

Conclusion

11. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

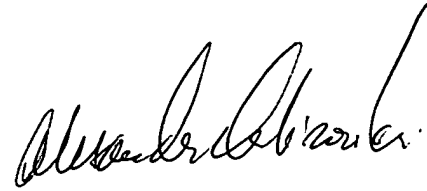
A shortened statutory period for reply to this final action is set to expire **THREE MONTHS** from the mailing date of this action. In the event a first reply is filed within **TWO MONTHS** of the mailing date of this final action and the advisory action is not mailed until after the end of the **THREE-MONTH** shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than **SIX MONTHS** from the mailing date of this final action.

12. Any inquiry concerning this communication or earlier communications from the examiner should be directed to Alexander Kalinowski, whose telephone number is (703) 305-2398. The examiner can normally be reached on Monday to Thursday from 9:00 AM to 6:30 PM. In addition, the examiner can be reached on alternate Fridays.

If any attempt to reach the examiner by telephone is unsuccessful, the examiner's supervisor, Joseph Thomas, can be reached on (703) 305-9588. The fax telephone number for this group is (703) 305-7687 (for official communications including After Final communications labeled "Box AF").

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Hand delivered responses should be brought to Crystal Park 5, 2451 Crystal Drive, Arlington, VA, 7th Floor, receptionist.

A handwritten signature in black ink, appearing to read 'Alexander Kalinowski', written in a cursive style.

Alexander Kalinowski

Primary Examiner

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9/20/04